



MARCH 20, 2020

FUTURES PRICES CONTINUE TO FALL

- May Cotton Loses 4.77 Cents This Week, December Down 4.74
- Other Markets Move Lower
- Weekly Export Sales Down 30 Percent
- Spot Market Quiet

Futures prices continued their downward trajectory this week in cotton as they did in other major markets. May futures posted a settlement of 54.93 cents per pound to end the week on Thursday, 4.77 cents per pound lower than the settlement last Thursday. The December futures contract was down 4.74 cents per pound from last week, settling at 56.10 cents per pound. Open interest for the week was down to 209,401 for all contracts.

OUTSIDE MARKETS

This week was more of the same as coronavirus continued to dominate headlines, and stock markets worldwide continued to fall. After setting an all-time high of 29,568.57 on February 12, the Dow Jones Industrial Average fell to a low of 18,917.46 Wednesday, a decline of 36 percent. Conversely, the U.S. Dollar index soared this week from a low of 97.385 last week to Thursday's high of 103.255 as investors faced with extreme market moves are preferring to hold U.S. Dollars.

EXPORT SALES

For the week ended March 12, net sales of U.S. cotton totaled 340,700 bales, down 30 percent from the previous week but up 3 percent from the prior 4-week average. New sales totaled 356,200 bales of Upland cotton for delivery this marketing year, offset by 15,500 bales of cancellations and 78,500 bales for delivery next marketing year. Cotton shipments totaled 385,200 bales of Upland and Pima combined. China again showed up as a significant buyer this week with net purchases of 94,300 bales of Upland and Pima combined. Only Pakistan purchased more this week with 118,000 bales combined.

THE SEAM

Grower selling on The Seam's G2B platform was very light for the week. As of late yesterday, total bales sold were less than 3,000 bales for the week. The average price received by growers was 55.66 cents per pound, up 64 points from the previous week's average. The average premium over the CCC loan was 3.72 cents per pound, down 38 points from the previous week's average. G2B offers late yesterday stood at 183,000 bales.

IN THE WEEK AHEAD

- Today at 2:30 p.m. Central – Commitments of Traders
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton-On-Call